

b. In or about January 2000, in New York, New York, JOHN ANGELIDES, the defendant, told an employee of the Association for the Help of Retarded Children that the Association could participate in the E-Rate Program and incur no cost.

c. On or about January 18, 2000, JOHN ANGELIDES, the defendant, signed a letter on behalf of Connect 2 stating to the St. John Lutheran School in Queens, New York, that it could participate in the E-Rate Program with "absolutely no cost to the school."

d. On or about January 18, 2000, JOHN ANGELIDES, the defendant, signed a letter on behalf of Connect 2 advising the Islamic Elementary School in Queens, New York, that it could participate in the E-Rate Program with "absolutely no cost to the school."

e. On or about July 30, 2001, JOHN ANGELIDES, the defendant, sent a fax communication from Staten Island, New York, to a compliance analyst for the E-Rate Program in New Jersey, that falsely represented that ANGELIDES and Connect 2 were acting in compliance with the rules and regulations of the E-Rate Program, and enclosing false, incomplete and misleading documentation to support that false representation.

f. On or about August 30, 2001, JOHN ANGELIDES, the defendant, sent a fax communication from Staten Island, New York, to a compliance analyst for the E-Rate Program in New Jersey,

that falsely represented that ANGELIDES and his company, Connect 2, were acting in compliance with the rules and regulations of the E-Rate Program, and enclosing false, incomplete and misleading documentation to support that false representation.

g. On or about October 10, 2001, JOHN ANGELIDES, the defendant, received approximately \$54,999 from a co-conspirator not named as a defendant herein, as part of a "check exchange" perpetrated to create the misimpression that Connect 2 was acting in compliance with the rules and regulations of the E-Rate Program.

h. On or about November 21, 2001, JOHN ANGELIDES, the defendant, sent a fax communication from Staten Island, New York, to a compliance analyst for the E-Rate Program in New Jersey, that falsely represented that Connect 2 was acting in compliance with the rules and regulations of the E-Rate Program, and enclosed false, incomplete and misleading documentation to support that false representation.

(Title 18. United States Code, Section 371.)

FORFEITURE ALLEGATION

16. As the result of committing the offense of conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 371 as alleged in Count One of this Information, JOHN ANGELIDES, the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 1956(c)(7) and 1961(1), and Title 28, United States

Code, Section 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of this offense, including, but not limited to the following:

a. A sum of money equal to approximately \$290,000 in United States currency, representing the amount of proceeds obtained as a result of the offense.

Substitute Assets Provision

b. If any of the property described above as being subject to forfeiture, as a result of any act or omission of any of **the defendant --**

(1) **cannot be located upon the exercise of due**
diligence;

(2) has been transferred or sold to, or deposited with, a third party;

(3) has been placed beyond the jurisdiction of the court;

(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be divided without difficulty;

it is the intention of the United States, pursuant to Title 21,

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v -

JOHN ANGELIDES,

Defendant.

~~INFORMATION~~

03 Cr.

(Title 18 U.S.C. § 371)

JAMES B. COMEY
United States Attorney.



*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

RECEIVED

May 8, 2003

MAY 28 2003

COHEN & GRESSER LLP

Ira Lee Sorkin, Esq.
Carter Ledyard & Milburn LLP
2 Wall Street, 17th Floor
New York, New York 10005

Re: United States v. John Angelides, et al., 03 Cr. __ ()

~~Dear Mr. Sorkin:~~

On the understandings specified below, the Office of the United States Attorney for the Southern District of New York ("this Office") will accept a guilty plea from John Angelides ("the defendant") to Count One of the above-referenced Information. Count One charges the defendant with conspiracy to commit wire fraud, to submit false claims and to make false statements, in violation of Title 18, United States Code, Section 371. Count One carries a maximum sentence of 5 years' imprisonment, a maximum fine or the greater of \$250,000 or, pursuant to Title 18, United States Code, Section 3571, twice the gross pecuniary gain derived from the offense, or twice the gross pecuniary loss to persons other than the defendant resulting from the offense, a \$100 special assessment, and a maximum term of 3 years' supervised release. In addition to the foregoing, the Court must order restitution in accordance with Sections 3663, 3663A and 3664 of Title 18, United States Code.

In addition, as part of his plea, the defendant shall admit to the Forfeiture Allegation in the Information and shall agree to forfeit to the United States, pursuant to Title 18, United States Code, Section 982, a sum of money equal to \$290,000, representing the approximate amount of proceeds obtained as a result of the offense charged in Count One of the Information (the "Subject Property"). It is further understood that, in the event that the United States files a civil action pursuant to Title 18, United States Code, Section 981 seeking to forfeit the Subject Property, the defendant will not file a claim with the Court or otherwise contest such a civil forfeiture action and will not assist a third party in asserting any claim to the Subject Property. It

Ira Lee Sorkin
May 8, 2003

is further understood that the defendant will not file or assist anyone in filing a petition for remission or mitigation with the Department of Justice concerning the Subject Property.

In consideration of his plea to the above offenses, neither the defendant nor Connect 2 Internet Networks, Inc., will be further prosecuted criminally by this Office (except for criminal tax violations as to which this Office cannot, and does not, make any agreement) for participating, from in or about the Fall 1999 through in or about October 2002, in a scheme to defraud the Federal Government's E-Rate school and library funding program through the submission of false, fraudulent and misleading claims and statements, as charged in the Information. In addition, at the time of sentencing, the Government will move to dismiss any open Count(s) against the defendant. The defendant agrees that with respect to any and all dismissed charges he is not a "prevailing party" within the meaning of the "Hyde Amendment," Section 617, P.L. 105-119 (Nov. 26, 1997), and will not file any claim under that law.

In consideration of the foregoing and pursuant to Sentencing Guidelines Section 6B1.4, the parties hereby stipulate to the following:

A. Offense Level

1. The Sentencing Guidelines applicable are those in effect as of November 1, 2001.
2. The Guideline applicable to a violation of Title 18, United States Code § 371 is U.S.S.G. § 2X1.1.
3. Pursuant to U.S.S.G. § 2X1.1(a), the base offense level is the base offense level from the Guideline for the substantive offense, plus any adjustments from such Guideline for any intended offense conduct that can be established with reasonable certainty. Because the defendant completed all the acts he believed necessary for the successful completion of the substantive offense, the offense level is not decreased under U.S.S.G. § 2X1.1(b)(2).
4. The substantive offenses are wire fraud, false claims and false statements, in violation of Title 18, United States Code, Sections 1343, 287 and 1001, respectively. The Guideline for each of those offenses is U.S.S.G. § 2B1.1.
5. Pursuant to U.S.S.G. § 2B1.1, the base offense level is 6.
6. Because the loss amount exceeded \$200,000 but was not more than \$400,000, the offense level is increased 12 levels, pursuant to U.S.S.G. § 2B1.1(b)(1)(G).
7. Assuming the defendant clearly demonstrates acceptance of responsibility, to the satisfaction of the Government, through his allocution and subsequent conduct prior to the

Ira Lee Sorkin
May 8, 2003

imposition of sentence, a 2-level reduction will be warranted, pursuant to U.S.S.G. § 3E1.1(a). Furthermore, assuming the defendant has accepted responsibility as described in the previous sentence, an additional 1-level reduction is warranted, pursuant to U.S.S.G. § 3E1.1(b), because the defendant gave timely notice of his intention to enter a plea of guilty, thereby permitting the Government to avoid preparing for trial and permitting the Court to allocate its resources efficiently.

In accordance with the above, the applicable Guidelines offense level is 15.

B. Criminal History Category

Based upon the information now available to this Office (including representations by the defense), the defendant has no criminal history points, and accordingly, the defendant's *Criminal History Category* is I.

C. Sentencing Range

Based upon the calculations set forth above, the defendant's stipulated sentencing Guidelines range is 18 to 24 months (the "Stipulated Sentencing Range"). In addition, after determining the defendant's ability to pay, the Court may impose a fine pursuant to § 5E1.2. At Guidelines level 15, the applicable fine range is \$4,000 to \$40,000.

D. Other Agreements

The defendant reserves the right to move for a downward departure from the Stipulated Sentencing Range of 18 to 24 months on the basis of "aberrant behavior" pursuant to U.S.S.G. § 5K2.20. The Government reserves the right to oppose that motion. Other than as set forth above, neither party will seek any departure or seek any adjustment not set forth herein. Nor, other than as set forth above, will either party suggest that the Probation Department consider such a departure or adjustment, or suggest that the Court sua sponte consider such a departure or adjustment.

Except as provided in any written Proffer Agreement(s) that may have been entered into between this Office and the defendant, nothing in this agreement limits the right of the parties (i) to present to the Probation Department or the Court any facts relevant to sentencing; (ii) to make any arguments regarding where within the Stipulated Sentencing Range set forth above (or such other range as the Court may determine) the defendant should be sentenced; (iii) to seek an appropriately adjusted Sentencing range if it is determined based upon new information that the defendant's criminal history category is different from that set forth above. Nothing in this agreement limits the right of the Government to seek denial of the adjustment for acceptance of responsibility, see U.S.S.G. § 3E1.1, and/or imposition of an adjustment for obstruction of

Ira Lee Sorkin
May 8, 2003

justice, see U.S.S.G. § 3C1.1, regardless of any stipulation set forth above, should the defendant move to withdraw his guilty plea once it is entered, or should it be determined that the defendant has either (i) engaged in conduct, unknown to the Government at the time of the signing of this Agreement, that constitutes obstruction of justice or (ii) committed another crime after signing this agreement.

It is understood that pursuant to Sentencing Guidelines § 6B1.4(d), neither the Probation Department nor the Court is bound by the above Guidelines stipulation, either as to questions of fact or as to the determination of the proper Guidelines to apply to the facts. In the event that the Probation Department or the Court contemplates any Guidelines adjustments, departures, or calculations different from those stipulated to above, the parties reserve the right to answer any inquiries and to make all appropriate arguments concerning the same.

It is understood that the sentence to be imposed upon the defendant is determined solely by the Court. This Office cannot, and does not, make any promise or representation as to what sentence the defendant will receive. Moreover, it is understood that the defendant will have no right to withdraw his plea of guilty should the sentence imposed by the Court be outside the Stipulated Sentencing Range set forth above.

It is further agreed (i) that the defendant will not file a direct appeal, nor litigate under Title 28, United States Code, Section 2255 and/or Section 2241, any sentence within or below the Stipulated Sentencing Range (18 to 24 months) set forth above and (ii) that the Government will not appeal any sentence within or above the Stipulated Sentencing Range (18 to 24 months). This provision is binding on the parties even if the Court employs a Guidelines analysis different from that stipulated to herein. Furthermore, it is agreed that any appeal as to the defendant's sentence that is not foreclosed by this provision will be limited to that portion of the sentencing calculation that is inconsistent with (or not addressed by) the above stipulation.

The defendant hereby acknowledges that he has accepted this Agreement and decided to plead guilty because he is in fact guilty. By entering this plea of guilty, the defendant waives any and all right to withdraw his plea or to attack his conviction, either on direct appeal or collaterally, on the ground that the Government has failed to produce any discovery material, Jencks Act material, exculpatory material pursuant to Brady v. Maryland, 373 U.S. 83 (1963), other than information establishing the factual innocence of the defendant, and impeachment material pursuant to Giglio v. United States, 405 U.S. 150 (1972), that has not already been produced as of the date of the signing of this Agreement.

It is further agreed that should the convictions following defendant's pleas of guilty pursuant to this Agreement be vacated for any reason, then any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this agreement (including any counts that the Government has agreed to dismiss at sentencing pursuant to this Agreement) may be

Ira Lee Sorkin
May 8, 2003

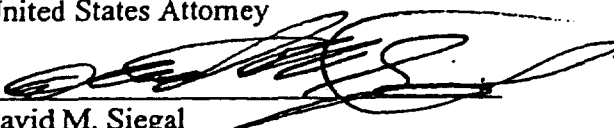
commenced or reinstated against defendant, notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the commencement or reinstatement of such prosecution. It is the intent of this Agreement to waive all defenses based on the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed.

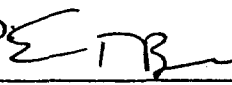
It is further understood that this Agreement does not bind any federal, state, or local prosecuting authority other than this Office.

Apart from any written Proffer Agreement(s) that may have been entered into between this Office and defendant, this Agreement supersedes any prior understandings, promises, or conditions between this Office and defendant. No additional understandings, promises, or conditions have been entered into other than those set forth in this Agreement, and none will be entered into unless in writing and signed by all parties.

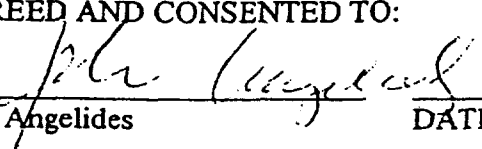
Very truly yours,

JAMES B. COMEY
United States Attorney

By: 
David M. Siegal
Assistant United States Attorney
(212) 637-2281

APPROVED: 
Evan T. Barr
Chief, Major Crimes Unit

AGREED AND CONSENTED TO:


John Angelides

DATE

5/22/03

APPROVED: 

Ira Lee Sorkin, Esq.
Attorney for John Angelides

DATE

5.22.03

ANG-06-801
CORR

CARTER LEDYARD & MILBURN LLP
Counselors at Law

Ira Lee Sorkin
Partner

Direct Dial: 212-238-8680
E-mail: sorkin@clm.com

2 Wall Street
New York, NY 10005-2072

Tel (212) 732-3200
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1401 Eye Street, N.W.
Washington, DC 20005
(202) 898-1515

570 Lexington Avenue
New York, NY 10022
(212) 371-2720

April 26, 2004

BY HAND AND FACSIMILE

Honorable Thomas P. Griesa
United States District Court
Southern District of New York
United States Courthouse
999 Pearl Street
Room 1630
New York, New York 10007

Re: United States v. John Angelides
Docket No. 03 Cr. 635-01 (TPG)

Dear Judge Griesa:

We are co-counsel for John Angelides, along with Mark S. Cohen, of Cohen & Gresser. On May 22, 2003, Mr. Angelides pleaded guilty before Your Honor to one count of conspiracy (18 U.S.C. § 371) to commit wire fraud, submit false claims and make false statements to the government in connection with his participation in the E-rate program. His sentencing is presently scheduled for April 30, 2004 at 4:30 p.m.

Unfortunately, as we previously advised the Court in our letters in November, 2003 and March, 2004, Mr. Angelides has been diagnosed with stage IV non-small cell lung cancer, which has metastasized and also reached his brain. Enclosed herewith is a letter from Mr. Angelides's doctor, Dr. Jorge Gomez of Memorial Sloan-Kettering Cancer Center, setting forth an update on Mr. Angelides's treatment. Dr. Gomez indicates that Mr. Angelides received six cycles of chemotherapy and whole brain radiation and is now under observation. Dr. Gomez advises that Mr. Angelides will go to the clinic every three months with a new CT scan of the chest and will have a serial MRI of the brain. Mr. Angelides's next MRI is scheduled for mid-June, 2004. Dr. Jorge has indicated that on average, patients with this diagnosis live approximately nine months from the date of diagnosis, which was October 2003.

We respectfully submit that during this time, Mr. Angelides should be permitted to devote his entire energies to his treatment. We do not believe that Mr. Angelides is prepared, either mentally or physically, to proceed with sentencing at this time.

In light of the foregoing, we respectfully request that his sentencing be adjourned for a period of six months. I have spoken with Assistant United States Attorney David Siegal, who consents to our request for an adjournment.

Respectfully submitted,



Ira Lee Sorkin

ILS:tbm
Enclosure

cc: **Mr. John Angelides**
Mark S. Cohen, Esq.
AUSA David Siegal



*Thoracic Oncology Service
Department of Medicine*

April 22, 2004

Mark G. Kris, MD
Service Chief
212.639.7790

Christopher G. Annoli, MD
212.639.7790

~~Jorge E. Gomez, MD~~
~~212.639.7790~~

~~Samuel H. Wang, MD~~
~~212.639.7790~~

Vincent A. Miller, MD
212.639.7743

Herbert F. Ostrgon, MD
212.639.7790

Naiyer A. Rivvi, MD
212.639.7790

Ann Calkin, RN, OCN

Amy Farmer, RN, FNP-C

Bernadette Giaccone, RN, OCN

Anne Haughey, RN, OCN

Dana Inzco, RN, MA, CNS

Gina Lalla, RN, ANP-C

Diane Paolilli, RN, MSN, OCN

Barbara Pizzo, RN, OCN

Kim Plastini, RN, OCN

Chrysa Smalley, RN, ANP-C

Leslie Tyson, MSN, ANP-CS, OCN

RE: John Angelides

To Whom It May Concern:

Mr. Angelides is a 66 year-old man with stage IV non-small cell lung cancer with metastatic disease to the brain. He has received six cycles of chemotherapy with paclitaxel and carboplatin and is now under observation. He has also had whole brain radiation. As of 4/12/04, Mr. Angelides will come to our clinic every three months with a new CT scan of the chest. He will also have serial MRI of the brain. His next MRI is scheduled for mid-June.

If there is any additional information that you may require, please contact my office at 212-639-3042.

Sincerely,


Jorge E. Gomez, M.D.
Thoracic Oncology Service



*Thoracic Oncology Service
Departments of Medicine*

Mark G. Kris, MD
Service Chief
212.639.7794

~~Christopher G. Azzoli, MD~~
~~212.639.7794~~

~~Jorge E. Gomez, MD~~
~~212.639.7794~~

Lee M. Krug, MD
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Herbert F. Ostrin, MD
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Natasha A. Rivin, MD
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Amy Farnsworth, RN, FNP-C

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Dana Iuzzo, RN, MA, CNS

Gina Lalla, RN, ANP-C

Diane Paulilli, RN, MSN, OCN

Barbara Pizzo, RN, OCN

Kim Placini, RN, OCN

Chrysa Smalley, RN, ANP-C

Leslie Tyson, MSN, ANP-C, OCN

February 19, 2004

Re: John Angelides

To Whom It May Concern:

Mr. John Angelides is under my care for a diagnosis of stage IV non-small cell lung cancer with metastatic disease to the brain. He was first seen in consultation on 10/20/03. He has completed whole brain radiation therapy and is currently receiving chemotherapy. He will finish treatment in 4-6 weeks and then be followed with CT scans of the chest every three months. On average, patients with stage IV non-small cell lung cancer live approximately 9 months.

If there is any additional information that you may require, please contact my office at (212) 639-3042.

Sincerely,


Jorge E. Gomez, MD.
Thoracic Oncology Service

*Memorial Sloan-Kettering Cancer Center
1275 York Avenue, New York, New York 10021
NCI-designated Comprehensive Cancer Center*

PETER STATHOPOULOS, M.D.
INTERNAL MEDICINE
856 CASTLETON AVENUE
STATEN ISLAND, NEW YORK 10310

718 - 720-6300
718 - 720-6318

April 2, 2004

To Whom It May Concern:

Mr. John Angelides was under my care and therapy from January 2001 to September 2003. His condition worsened and was transferred to Sloan Kettering Hospital on October 20, 2003, for continuation of treatment of cancer on his lungs and brain.

Very truly yours,


Peter Stathopoulos, MD

PS/mf



*Thoracic Oncology Service
Department of Medicine*

Mark G. Kris, MD
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212.639.7799

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Diane Poolilli, RN, MSN, OCN

Barbara Pizzo, RN, OCN

Kim Plastini, RN, OCN

Chrysa Smalley, RN, NP-C

Leslie Tyson, MSN, NP-C, OCN

October 24, 2003

Re: Angelides, John

To Whom It May Concern:

Mr. John Angelides was seen in consultation on 10/20/03 for a diagnosis of metastatic non-small cell lung cancer. He is currently receiving whole brain radiation at our Institution. He will receive radiation therapy for two weeks and then he will receive chemotherapy for three to four months.

If there is any additional information that you may require, please contact my office at (212) 639-3042.

Sincerely,


Jorge E. Gomez, MD.
Thoracic Oncology Service

*Memorial Sloan-Kettering Cancer Center
1275 York Avenue, New York, New York 10021
NCI-designated Comprehensive Cancer Center*

COHEN & GRESSER LLP
666 FIFTH AVENUE, 26TH FLOOR
NEW YORK, N.Y. 10103
TELEPHONE (212) 957-7600
FAX (212) 957-4514

COHEN & GRESSER LLP

JUN 8 2 2004

MSC
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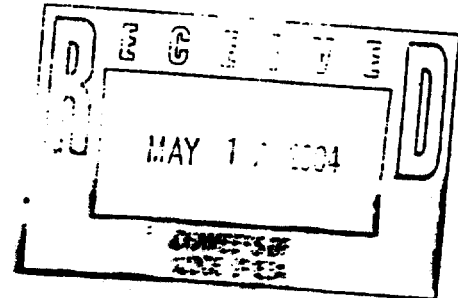
MEMO ENDORSED

Mark S. Cohen
Direct Dial: (212) 957-7601
Email: mcohen@cohengresser.com

May 13, 2004

VIA U.S. MAIL

Hon. Thomas P. Griesa
United States District Court Judge
Southern District of New York
United States Courthouse
500 Pearl Street
New York, NY 10007



Re: United States of America v. John Angelides, et al, Ind. No. 03-635

Dear Judge Griesa:

I represent the defendant John Angelides, along with Ike Sorkin.

Mr. Angelides pleaded guilty before Your Honor on May 22, 2003, and has been awaiting sentencing. However, as we have previously advised the Court, Mr. Angelides is in a precarious medical condition. He is being treated for stage IV metastasized non-small cell lung cancer, and, unfortunately, has a very short life expectancy. For this reason, his sentencing has been deferred to November 9, 2004.

Nonetheless, Mr. Angelides has continued, as required, to report in person to Pre-Trial Services.

My associate spoke to Lisa Chan, of Pre-Trial Services, to whom Mr. Angelides reports, and also spoke to Assistant U.S. Attorney David Siegel. Neither Ms. Chan nor Mr. Siegel had any objection to releasing Mr. Angelides from the reporting requirement.

Approved
Thomas P. Griesa
[Signature]
5/27/04

COHEN & GRESSER LLP

Hon. Thomas P. Griesa

May 13, 2004

Page 2

Accordingly, we respectfully request that Your Honor grant Mr. Angelides permission to cease reporting in person to Pre-Trial Services, and release him from all reporting requirements. In the alternative, we request that Your Honor permit Mr. Angelides to report by telephone.

Respectfully submitted,



Mark S. Cohen

Enclosures

cc: A.U.S.A. David Siegel
United States Attorney's Office
United States Attorney for the Southern
District of New York
One St. Andrew's Plaza
New York, NY 10007

Ms. Lisa Chan
Pre-Trial Services
500 Pearl Street
New York, NY 10007

Ira L. Sorkin, Esq.
Carter Ledyard & Milburn LLP
2 Wall Street
13th Floor
New York, NY 10005

COHEN & GRESSER LLP

666 FIFTH AVENUE, 26TH FLOOR

NEW YORK, N.Y. 10103

TELEPHONE (212) 957-7600

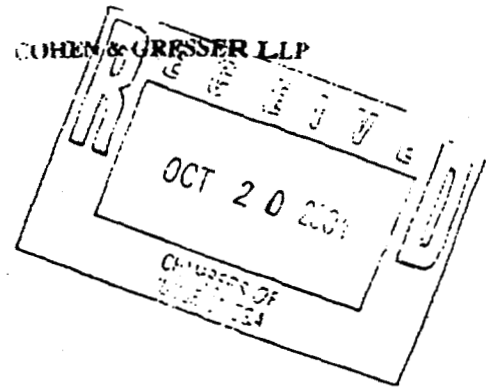
FAX (212) 957-4514

Mark S. Cohen

Direct Dial: (212) 957-7601

Email: mcohen@cohengresser.com

OCT 25 2004



October 19, 2004

BY HAND

Hon. Thomas P. Griesa
United States District Judge
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, Room 1630
New York, New York 10007-1312

MEMO ENDORSED

Re: United States of America v. John Angelides, et al.
Docket No. 03 Cr. 635-01 (TPG)

Dear Judge Griesa:

Along with my co-counsel, Ira Sorkin of Carter Ledyard & Milburn, I represent the defendant John Angelides. Mr. Angelides pleaded guilty before Your Honor on May 22, 2003. His sentencing is currently scheduled for November 9, 2004. I am writing to request that his sentencing be adjourned.

As Your Honor has previously been advised, Mr. Angelides is in a precarious medical condition. He is being treated for stage IV metastasized non-small cell lung and brain cancer. He has a very short life expectancy. For this reason, Mr. Angelides' sentencing was previously deferred for six months, at our request, with the consent of the United States Attorney. Your Honor also excused Mr. Angelides from all reporting requirements, on the consent of Pre Trial Services and the United States Attorney.

I enclose a letter from Mr. Angelides' physician, Dr. Jorge Gomez, of Memorial Sloan-Kettering Cancer Center, to update the Court's information. As of September 20, 2004, Mr. Angelides had received brain radiation and six cycles of chemotherapy. During follow-up examinations, it was found that the lung cancer had started to grow again, and Mr. Angelides began experimental treatments. Mr. Angelides is to be monitored and take new drugs. Mr. Angelides' medical appointment calendar (also enclosed) shows that he is scheduled for follow-up examinations on October 18, October 28, and November 1 - i.e., at frequent intervals.

I respectfully request that, for the next six months, Mr. Angelides be permitted to continue devoting his mental and physical energy entirely to his treatment. I do not

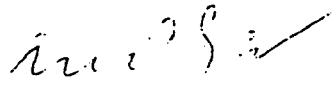
Approved. Adjourned to 5/12/05.
Thomas P. Griesa

Honorable Thomas P. Greisa
October 19, 2004
Page 2

believe that Mr. Angelides is mentally or physically able to proceed with sentencing at this time.

Accordingly, I request that sentencing be adjourned for a period of six months. I have spoken to Assistant United States Attorney David Siegal, who consents to this request.

Respectfully submitted,



Mark S. Cohen

Enclosure

cc: **A.U.S.A. David Siegal**
United States Attorney's Office
United States Attorney for the Southern
District of New York
One St. Andrew's Plaza
New York, NY 10007

Ira L. Sorkin, Esq.
Carter Ledyard & Milburn LLP
2 Wall Street
13th Floor
New York, NY 10005



Jorge E. Gomez, MD
Thoracic Oncology Service

September 20, 2004

Re: John Angelides

To Whom It May Concern:

Mr. Angelides is a 66 year old man with stage IV non-small cell lung cancer with metastatic disease to the brain. He has received six cycles of chemotherapy with ~~gemtastat~~ and carboplatin and is now under observation. ~~He has also had whole brain radiation.~~ As of 4/12/04, Mr. Angelides will come to our clinic every three months with a new CT scan of the chest. The June CT scan showed that the lung cancer has started to grown again. Mr. Angelides made a decision to go with experimental therapy. We will monitor his condition with the new drugs, RAD 001 and Iressa. A new MRI of the brain performed on June 14 showed stable disease.

If there is any additional information that you may require please contact my office at (212)-639-3042.

Sincerely,

Gomez / JR
Jorge E. Gomez, M.D.
Thoracic Oncology Service

Memorial Sloan-Kettering Cancer Center
1275 York Avenue, New York, New York 10021
Telephone 212.639.3042 • FAX 212.794.4357
NCI-designated Comprehensive Cancer Center



FAX COVERSHEET

Date 10/4/04
 Number of Pages Including Cover 2

TO Mr. Angelides

Memorial Sloan-Kettering Cancer Center

PHONE _____

PHONE _____

FAX _____

FAX _____

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 (213) _____
 Thank you.

Memorial Sloan-Kettering Cancer Center
 1275 York Avenue, New York, New York 10021
 NCI-designated Comprehensive Cancer Center

MEMORIAL HOSPITAL FOR CANCER AND ALLIED DISEASES

John G Angelides
758 Todt Hill Road
Staten Island, NY 10304

MRN: 00959381
Home #: 718-979-6163
Work #: 000-000-0000

Monday, Oct 18, 2004

11:00 AM Radiology
MRI
MSK Rockefeller Outpatient Pavilion
160 East 53rd Street, 8th Floor

Patient Instructions
Please arrive 30 minutes prior to your
appointment time. Eating is permitted
prior to your scan, but please eat
lightly.

1:30 PM ~~Alad Demopoulos~~
~~Follow Up Visit~~
~~MSK~~
~~1275 York Avenue~~

Thursday, Oct 28, 2004

5:00 PM Radiology
CT Scan
MSK Main Campus
1275 York Avenue

Patient Instructions
Please arrive 30 minutes prior to your
appointment time.

Monday, Nov 01, 2004

12:30 PM Jorge Gomez, MD
Follow Up Visit
MSK Rockefeller Outpatient Pavilion
160 East 53rd Street, 8th Floor
212-639-3042

Patient Instructions
Please arrive 30 minutes prior to your
appointment time.

Printed: 10/04/2004 7:55 PM

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CONNECT2

10/08/2004 16:31 FAX 71844489640

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July 20, 2004

VIA FEDERAL EXPRESS

Letter of Appeal
Schools and Libraries Division
Box 125 - Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

Re: Connect2 Internet Networks Inc.

Dear Sir or Madam:

This is a letter of appeal made on behalf of Connect2 Internet Networks Inc. ("Connect2"). I and my co-counsel, Ike Sorkin of Carter Ledyard & Milburn LLP, represent Connect2.

The SLD Letters

Connect2 has received numerous letters requesting repayment of disbursed funds. The funding request numbers and dates of the letters are set forth in the appendix attached hereto. (The applicants' names, Application Numbers, and Billed Entity Numbers, where available, are set forth in the appendix as well.)

The bases for the requested repayments vary. In some cases, SLD claims that funds were disbursed "in excess of the actual services delivered." In others, SLD states that "auditors were unable to locate all of the equipment" in 2004 - notwithstanding that the equipment was funded in 1998-1999. (See June 7, 2004 letter, regarding St. Augustine School, referenced in the attached appendix on p. 4.) In other cases, SLD claims, "The applicant was unable to show that a competitive bidding process had occurred or that they had paid their non-discounted share. Additionally, the applicant was unable to demonstrate that the internet access service was delivered within the funding year." (See June 7, 2004 letter, regarding The Children's Storefront, referenced in the attached appendix on p. 1.) In still other cases, the basis is that the vendor "failed to collect the required payment for the non-discounted portion of this FRN." (See April 1, 2004 letter, regarding Greek American Institute, referenced in the attached

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April 1, 2004 letter, regarding Greek American Institute, referenced in the attached appendix on p. 2.) In several instances, "demand" letters were received without any explanation whatever. (See the June 16, 2004 letters regarding AHCR Elementary School, Christ Crusader Academy, Grace Lutheran Day School, Immaculate Conception School, Islamic Elementary School, Mary Help of Christians School, School of the Transfiguration, St. John Lutheran School, St. Matthew Lutheran School, St. Rocco School, and Summit School, referenced in the attached appendix.)

The total amount sought is over \$5,000,000.

Mr. Angelides and Connect2

Connect2's former president, John Angelides, who is 66 years old, has been diagnosed with Stage-IV metastasized non-small cell lung cancer, which has spread to the brain. He is being treated at the Memorial Sloan-Kettering Cancer Center. On average, patients with Mr. Angelides' diagnosis live approximately nine months from the date of diagnosis, which was October 2003. Because of Mr. Angelides' illness, he did not immediately bring the letters to our attention. Thus, any untimeliness in this appeal for Connect2 should be excused for good cause.

Before his illness was discovered, on May 22, 2003, Mr. Angelides pled guilty to 18 U.S.C. § 371 before the Honorable Thomas P. Griesa, in the Southern District of New York. The United States Attorney agreed that the entire "loss amount" arising from his conduct was more than \$200,000 and less than \$400,000, and Mr. Angelides agreed to forfeit \$290,000 – not the millions referenced in your letters. Because of his terminal illness, Mr. Angelides has not been sentenced at this time.

In light of the criminal prosecution of Mr. Angelides, his illness, and attendant business problems, Connect2 has not transacted any business since 2003, when it closed its office. The funds that Connect2 received from SLD – two to four year ago – which SLD now wants repaid, largely went to the purchase and installation of computer equipment in the serviced schools and to pay the Company's employees, vendors and other overhead.

In light of these extreme circumstances, we believe that further proceedings are unwarranted. Connect2 therefore respectfully appeals the SLD claims.

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Furthermore, we respectfully request a meeting with you to discuss resolution of this matter. We look forward to hearing from you.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'Mark S. Cohen', with a stylized flourish at the end.

Mark S. Cohen

Enclosures

cc: Mr. John Angelides
Ike Sorkin, Esq.

1009-001/2578